COMMANDING GENERAL UPDATE

Col F. M. Emerson

Supply Management Center

28 May 2008

SMC Topics

I. Follow Up & Hot Items

II. Core Business

- **Customer Orders**
  - **Status / priorities**
  - **Maintenance actions**
  - **Procurement actions**
- **Financial**
  - **DLMP Funding**
- **Personnel**

III. Other

Follow up from last month . . .

Topic	Comment / Direction	Actions Taken / Planned
On-Hand Inventory Analysis	➢ Set up brief on Wholesale Stratification results from March ’08	✓ Stratification process complete for March ✓ Brief to be scheduled week of June 2
PEI Customer Orders	➢ How do we handle “Dues Management”? • Do we load Procurement Dues in SCS? • What alerts us to overdue items?	✓ Col Emerson issued email on 30 April – Currently manage Dues by exception – Leveraging the ERDTs for visibility, recording, & follow up
PEI Customer Orders	➢ Need to look at aging backorder data	✓ Working with LCC on data query for SAC 3 items – by MARES & Non-MARES, priority ▪ Aging chart should be available next month
DLMP Funding Surplus	➢ Need to work the surplus down. Command not ready to turn in $100M+ ➢ Need firm plan by end of early July at latest to support FY close-out	✓ Details on slides to follow

Follow up from last month . . .

Topic	Comment / Direction	Actions Taken / Planned
Sec Items Customer Orders	➢ Need to fully understand AN/PRC 153 • Any other services use it? • Short-term Emergency buy • Long-term solution	✓ Col Emerson issued email on 30 April – Marine Corps is only user – Procurement for 70 initiated, due in May '08. Another 200 currently in Contracts. – Several sustainment actions under way. See email for details.
Sec Items Customer Orders	➢ Fill Rate goal = 85% ➢ Look at "First Pass Rate"	✓ SMC & LCC investigating methods to improve fill rate. Several short & long-term actions in progress or being studied. Details ✓ Currently, "First Pass Rate" not measured. Retail and wholesale performance measured separately. Centralized SECREP initiative will develop combined retail/whsle metrics.
Sec Items Customer Orders	➢ P&R looking at turning in some of our FY08 obligation authority ➢ SMC & P&R to coordinate. Make sure all potential needs (eg. AN/PRC-153) are covered	✓ SMC identified funding in FY08 retail centrally managed program ✓ Current OA adequate to meet our needs

Follow up from last month . . .

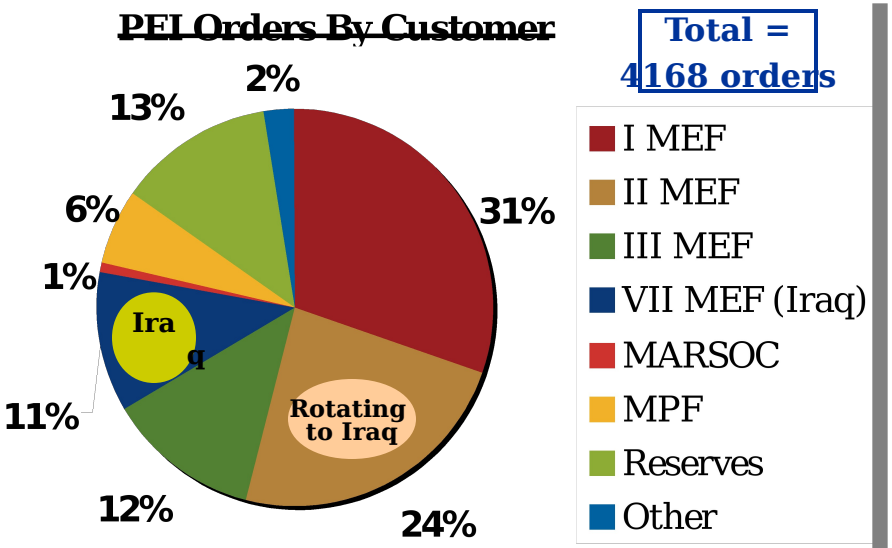
Topic	Comment / Direction	Actions Taken / Planned
Centralized Sec Rep Mgt	➢ Need to understand Warranty Integrator Pilot Program ➢ Can ATAC account handle this?	✓ Col Emerson issued email on 30 April – M. Williamson briefed Mr. Madden on pilot
202K Build	➢ What is our plan to satisfy LOGCOM's portion of remaining requirement? ➢ Need enterprise solution. Can Operation Clear Groves help in any way?	✓ Fulfillment plan detailed on slide to follow ✓ LOGCOM & SYSCOM review of Clear Grove list is ongoing. To date, no items have been identified that can support 202K Build.
Personnel	➢ What is the plan for 5 vacancies deemed as "non-urgent"?	✓ Details on slide to follow

SMC's Hot Items

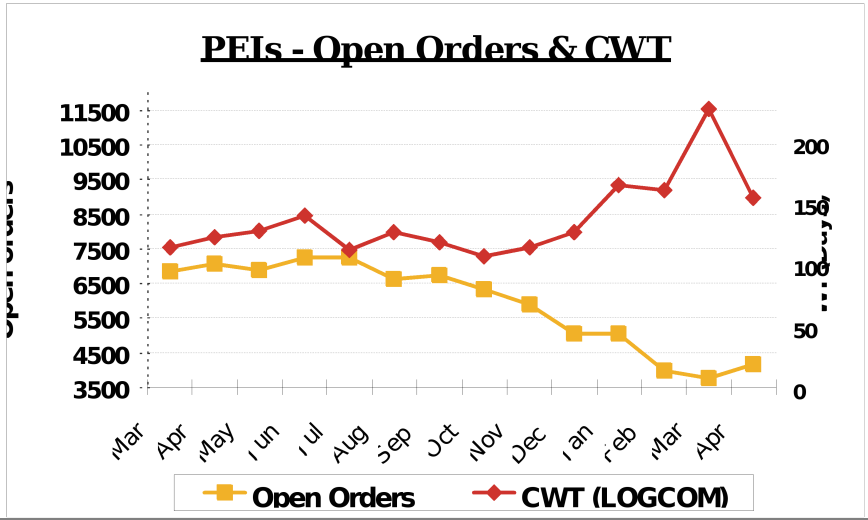
- Small Arms Serialization
- ERDT Update

PEI Customer Orders

Summary



	I	II	III	VII	MSOC	MPF	Res	Other	Tot
Mar 31	**1168**	**834**	**475**	**478**	**32**	**260**	**432**	**83**	**3762**
New Orders	+309	+431	+203	+210	+18	+27	+173	+689	+2060
Release	-56	-58	-26	-60	-2	-6	-18	-649	-875
B/O Filled	-28	-28	-15	-12	-5	-8	-5	-2	-103
Rejects/ Cx	-125	-213	-115	-139	-5	-15	-45	-19	-676
Change	+100	+132	+47	-1	+6	-2	+105	+19	+406
Apr 30	**1268**	**966**	**522**	**477**	**38**	**258**	**537**	**102**	**4168**



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- Noted increase in New Orders since last CG's Brief:
  - "New Orders "(2060) up by 84% attributed to 181646ZApr08 CMC msg requesting all 202K shortfalls be put on order.
  - New orders nearly doubled, yet backorders increased only by 12%
  - 56% Increase in "New orders released"
- Current B/O reconciliation/validation is ongoing

PEI Customer Orders - Fulfillment Plans

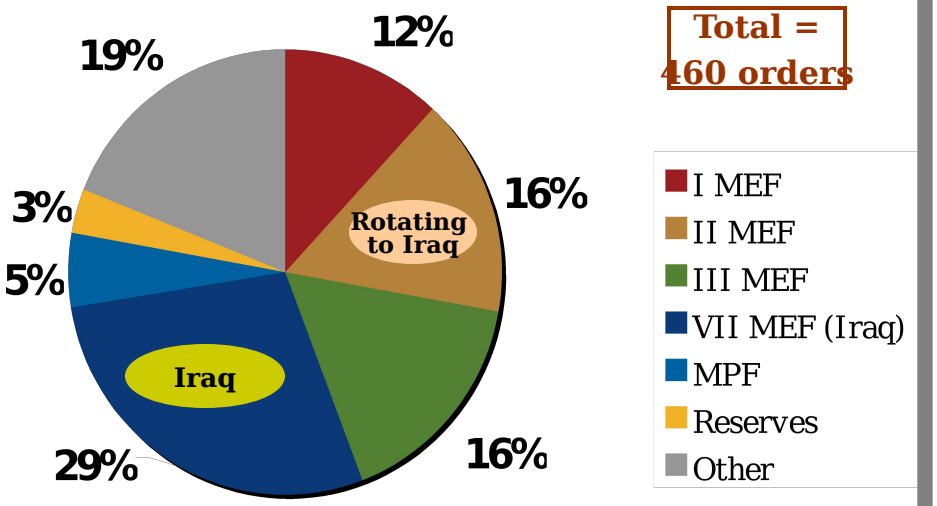
	MARES Reportable						Non-MARES Reportable						
	3Q '08	4Q '08	1Q '09	2Q '09	And Beyond	Sub-Total	3Q '08	4Q '08	1Q '09	2Q '09	And Beyond	Sub-Total	Total
Due from Procurement	103	152	99	-	1008	1362	73	69	109	-	688	939	**2301**
Planned from Maintenance	110	129	79	17	16	351	82	86	37	27	4	236	**587**
Total Planned Releases	**213**	**281**	**178**	**17**	**1024**	**1713**	**155**	**155**	**146**	**27**	**692**	**1175**	**2888**
Plans TBD / Other Actions					-	0	-	-	-	-	-	1280	**1280**
Total Orders	**213**	**281**	**178**	**17**	**1024**	**1713**	**155**	**155**	**146**	**27**	**692**	**2455**	**4168**

Fulfillment Plans & Actions:

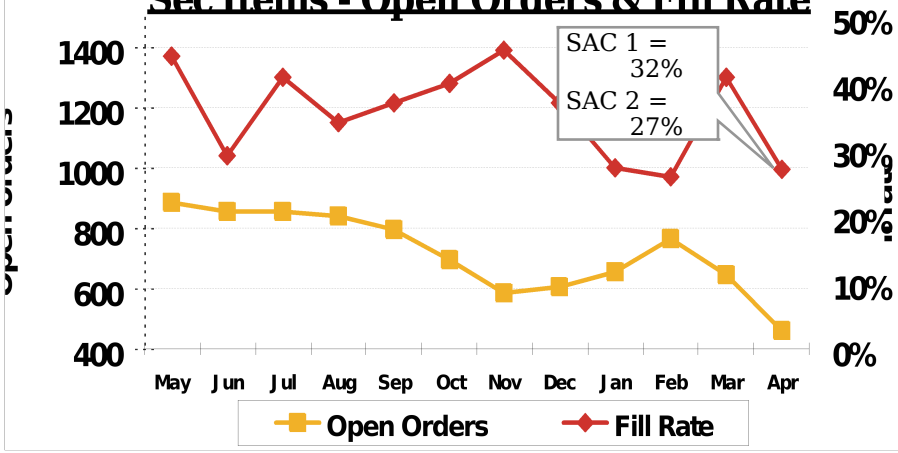
- Data above indicates the number of customer orders that will be satisfied, by quarter, and by fulfillment action (typically maintenance or procurement)
- Developed comprehensive fulfillment plan prototype with pertinent MWS and procurement data portrayed
- To date, 55% (2,280) of all current B/O's have Fulfillment Plans (FP's)
- Roll-out automated version of FP to be provided by LCC by 30 May 2008
- 69% of all B/O's planned for fulfillment by MWS or Procurement
- All Mares Reportable B/O's have planned fulfillment actions.

Sec Items Customer Orders Summary

Sec Items Orders By Customer



Sec Items - Open Orders & Fill Rate



	I	II	III	VII	MPF	Res	C	Tot
Apr 1	**57**	**97**	**33**	**354**	**3**	**12**	**[illegible]**	**645**
New Orders	+34	+32	+15	+110	+6	+12	+49	+258
Release	-15	-12	-8	-19		-4	-12	-70
B/O Filled	-8	-5	-7	-2		-1	-18	-41
Rejects/Cx	-7	-29		-278		-2	-16	-332
Change	+4	-14	0	-189	+6	+5	+3	-185
May 1	**[illegible]**	**[illegible]**	**33**	**165**	**9**	**17**	**92**	**460**

Fill Rate 27%

Key Message:

- Decrease in backorders is primarily due to the receipt of AN/PRC-153 Radio Transmitters.
- Considering 73 of the new customer orders were cancelled and stock was on hand to satisfy 111 orders, we were able to fill 60% of all new customer orders.

Sec Items Customer Orders

. . . Fulfillment Plans

	SAC 1 Items (Consumables)						SAC 2 Items (Repairables)						
	3Q '08	4Q '08	1Q '09	2Q '09	And Beyond	Sub-Total	3Q '08	4Q '08	1Q '09	2Q '09	And Beyond	Sub-Total	Total
Due from Procurement								1	1	9	45	56	**56**
Procurement Pending Award				26		26	39	9		16	38	102	**128**
Due from Other Services	4	19	2	3		28	7	8		21	22	58	**86**
Due from Maintenance	-	-	-	-	-	-	69	46	22			137	**137**
Total Planned	**4**	**19**	**2**	**29**	**0**	**54**	**115**	**64**	**23**	**46**	**105**	**353**	**407**
Plans TBD / Other Actions						11	35	3	4	-	-	42	**53**
Total Orders	**4**	**19**	**2**	**29**	**0**	**65**	**150**	**67**	**27**	**46**	**105**	**395**	**460**

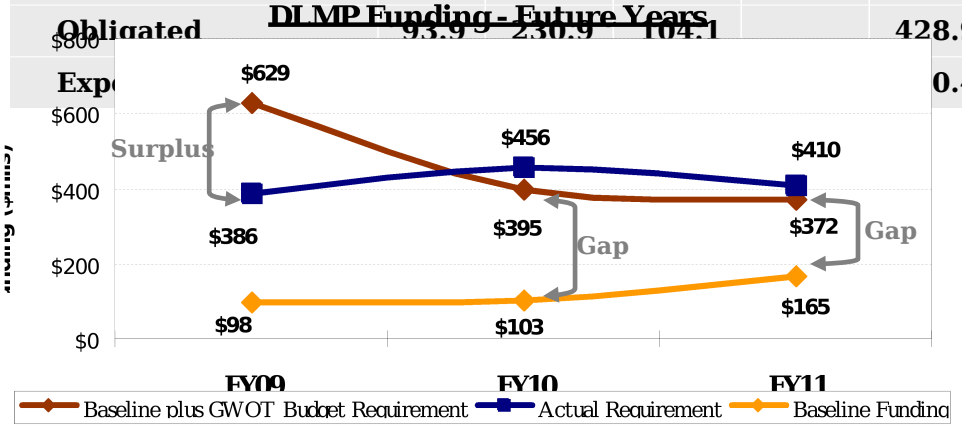
Fulfillment Plans & Actions:

- SAC 1 customer orders will be filled with stock from pending contracts or dues from other services. Anticipated contract award 3rd Qtr 08 for orders pending award.
- SAC 2 customers orders will be satisfied with procurement and maintenance actions. Anticipated contract award date 3rd and 4th Qtr 08 for orders pending award.

PEI Funding -- DLMP

Summary

FY08 - $Mils	Q1	Q2	Q3	Q4	FY
Planning Data:					
MWS Opening Rqmts	$ 76.9	$ 67.3	$ 58.8	$ 69.7	$ 272.7
MWS Requirements	42.9	52.8	156.1	214.7	466.5
HQMC Phasing Plan	209.7	204.9	158.1	0.0	572.7
HQMC Revised Phasing Plan	93.9	230.9	142.1	105.8	572.7
Actuals:					YTD
HQMC Authorized	93.9	230.9	142.1		466.9
Committed	93.9	230.9	141.7		466.5
Obligated	93.9	230.9	104.1		428.9
Expe					0.4



Key Message:

- FY08 funding exceeds current requirements by $ 106.2M
- Surplus continues to fluctuate. Ability to identify additional requirements and execute is becoming more critical.
- Expenses continue to remain low. 14% of total funds obligated have been expensed (ie. produced).
  - 70% of MWS Funded by 2nd Qtr
  - 99.9% of MWS Funded by 3rd Qtr
- FY09 – Funding surplus of $ 243M
- FY10 – Baseline Funding decrease by $58.7M during NAVCOMP budget
- FY10 – 26% of total requirement funded
- FY11 – 44% of total requirement

PEI Funding -- DLMP

. . . Funding Surplus

FUNDING SURPLUS – STATUS TRACKING ($ mils)	HQMC Phasing Plan	MWS Requirement	Surplus
Status – Oct 2007	$ 579.5	$ 272.7	$ 306.8
Status – Nov 2007 (CG's Brief)	579.5	291.8	287.7
Status – Jan 2008 (CG's Brief)	569.5	306.1	263.4
Status – Feb 2008 (CG's Brief)	572.6	452.7	119.9
Status – Mar 2008 (CG's Brief)	572.7	420.1	152.5
Status – Apr 2008 (CG's Brief)	**$ 572.7**	**$ 434.7**	**$ 138.0**
- Add 330 HMMWVs to MWS		31.8	31.8
Status – May 2008 (CG's Brief	**$ 572.7**	**$ 466.5**	**$ 106.2**
Potential Adds: • **MTVRs (application of Mod Kits ?)** • **AAV-C7 – (17 units)** • **HMMWV – D0001 -@LRT (54 units)** • **HMMWV – D0001 M1114 (8 units)** • **TRAMs – (20 units)** • **MRAP/BUFFALO (4 units from Iraq)** • **LAVs (2 units from testing)** • **E0671 Howitzer (1 unit)** • **AAVR7 (1 unit)** • **Projected add'l funds required by Depots** **Subtotal**		**10.0** **6.0** **4.2** **0.7** **2.8** **1.6** **1.0** **0.5** **0.5** **12.0** **39.3**	
Status with Opportunities Included	**$ 572.7**	**$ 505.8**	**$ 66.9**

Current Status

Personnel
. . . Summary & Vacancies

	NSPS	+ Bargaining Unit	= **Total Authorized**	- On Roll	= Existing Vacancies	+ Pending Vacancies	= **Total Vacancies**	Retirement Eligible	% of On Roll
GS 14-15	6	-	**6**	6	0	-	**0**	0	0%
GS 12-13	30	5	**35**	21	14	-	**14**	4	18%
GS 11& below	4	83	**87**	76	11	-	**11**	8	10%
Total Civilian	40	88	**128**	103	25	-	**25**	**12**	**12%**
Officers			**6**	6	-	1	**1**	1	17%
Enlisted			**27**	14	13	6	**19**	0	0%
Total Military			**33**	20	13	7	**20**	**1**	**5%**

Billet Description	Civilian Recruitment Actions	Projected Hire Date
14 GS-12's & 13's	➢ 2 – Branch Head; RPA in process	Jun '08
	➢ 3 – Section Heads; RPAs in process	Jun '08
	➢ 1 – Health Physicist; RPA in process	Jul '08
	➢ 3 – Enterprise Supply Chain Managers – RPAs in process	Jun '08
	➢ 5 – Centralized Secondary Reparable Managers; RPAs in process	Jun '08
11 GS-11's & below	➢ 2 – Filling as interns; working with HRO on recruitments	3Q '08
	➢ 4 – GS-11 – filling 3 as career ladder GS-09 target 11/1 as GS-11	4Q '08
		4Q '08
	➢ 1 – Filling as career ladder GS-07 target 9	4Q '08

Supplier Integration
. . . Warranty Administration

Results from Warranty IPT 6-7 May:

- LOGCOM, MCSC, HQMC (I&L), GCSS provided SMEs
- Reviewed Warranty Coordination & Administration Processes
  - Collaborate on the design of new warranty processes
  - Discussed the handling of legacy warranty assets
- Follow on Warranty WIPT has been Scheduled for July 08
- Warranty Website has been established with assistance from MCSC

Supplier Integration

. . . Significant Events

- Centralized SecRep Management Proof of Principal WIPT # 3 conducted 13-15 May
- Managing OEF SecReps at LOGCOM
- SECREP Re-comp in process
- Proceeding forward with RFP for LMST support via the LIS Program
- Source Selection for Warranty Administration Integrator service in process

RADCON

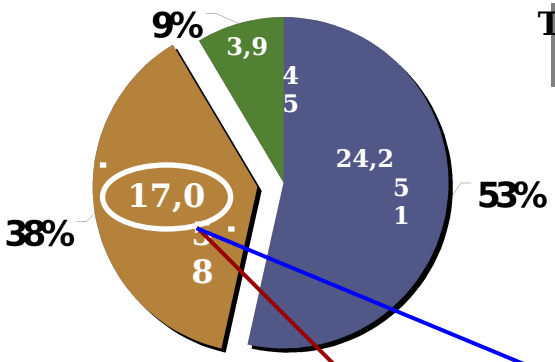
. . . Significant Events

Incidents & Follow up	➢ Comments received for the Z Backscatter Van SOP. SOP is now being routed through Command Chain ➢ Amendment 11 was signed and now includes the use of the Sabre 4000
Inventory & Procedures	➢ Currently conducting the Semi-Annual Internal Audit for the CAM/ACADA/GID-3/APD 2000/Sabre 2000,4000 ➢ Conducting Army annual Tritium audit
Audits	➢ Radiological Control Program (RCP) Audits are scheduled for 27 May – 6 June at MCAS Cherry Point, MCAS New River, MCB Lejeune, II MEF, 2nd MarDiv, 2nd MLG, and 2nd MAW
Events & TAD	➢ Site Assist completed at Camp Pendleton ➢ Mr. James (Mitch) Hicks reported aboard as the new Director of the RadCon office

202K Build – FY 2008

...Remaining Shortfalls

Total Marine Corp Rqmt -- 2008 202K Build



Total Rqmt = 45,254

Total Requirement

Commodity	TAMCN Count	Total Requirement
Alpha	167	5,490
Bravo	45	343
Charlie	23	1,097
Delta	41	1,432
Echo	103	36,892
Total	**379**	**45,254**

Fulfillment Plan for Shortfall

Commodity	MCSC TAMCN Count	MCSC Shortfalls	LOGCOM TAMCN Count	LOGCOM Shortfalls	Total TAMCN Count	Total Shortfall
Alpha	48	637	6	32	54	669
Bravo	3	13	1	6	4	19
Charlie	8	98	-	-	8	98
Delta	15	319	5	194	20	513
Echo	51	15,759	-	-	51	15,759
Total	**125**	**16,826**	**12**	**232**	**137**	**17,058**

202K Build – FY 2008

...Equipment Status

Commander	LOGCOM Delivery Requirement	Equipment Delivered to Date	% Complete	Prior Status
MARFORCOM	1,119	1,037	93%	89%
MARFORPAC	313	174	56%	60%
TECOM	2,513	2,322	92%	95%
Total	**3,945**	**3,533**	**90%**	**90%**

70 TAMCNs

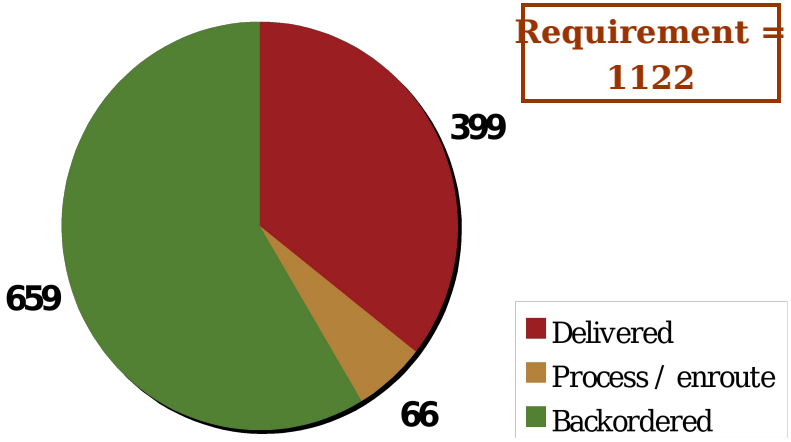
Key Message:

- The 202K quarterly reconciliation conference was held 8-9 April 08
- Changes made to LOGCOM delivery requirement resulting in net change of +50 (3895 -> 3945)
- LOGCOM requirement should be fully satisfied by 30 Sep 2008
- Note: SYSCOM total requirement is 24,008. To date, reporting 48% complete.

PEI Rotation Program (CY08 OIF)

Status

Fulfillment Status



Requirement = 1122

CY08 Attainment

41.4%

Attained

TAMCN	EDL	Attained	%Attain	Comments
Alpha	33	10	30%	20 MCCHS Pending Deletion
Bravo	295	97	33%	
Charlie	4	0	0%	
Delta	456	48	11%	
Echo	334	310	93%	
Total	1122	465	41%	

Backordered Items with limited assets availability:

TAMCN	Nomenclature	Requirement
A3232	SMART-T Satcom	3
B0589	Excavator, Combat	5
B2567	TRAM	34
D0003	AMK23, 7Ton, Truck	82
D0004	AMK25, 7Ton, Truck	16
D0209	Power Unit, LVS	62
D0235	Semi-trailer, Low bed	5

Potential “show stoppers” due to limited asset availability

Questions or Comments??

BACKUP

Follow up from last month . . .

Email from Col Emerson 30 Apr 2008 regarding follow up items from April Monthly Update:

Gentlemen,

1. The below feedback is provided to address some of the concerns that were addressed during our Monthly SMC Brief:

a. Concern: Are there any other services that use the AN/PRC-153? Response: No, the Marine Corps is the only user.

b. Concern: After receiving the initial support from MARCORSYSCOM, what is our follow on sustainment plan?

Response: The following procurements have been initiated and contract have been awarded and the assets are due in May 08:

M9855173313004	5820015487056	20
M9855180723001	5820015487056	50

c. The above NSNs have been added to the Raytheon contract for repair of those items not covered under warranty via 4th EOM. In addition,

procurement for 200 has been initiated and is currently in contracts.

d. The following actions are being taken to improve our processes/support:

(1) Units will now WIR the entire receiver transmitter vice breaking it up into parts prior to shipping to Albany.

(2) Units can now batch receivers on one WIR vice submitting a separate WIR for each receiver.

(3) SMC will ship all unserviceable assets to Motorola for warranty/repair. If covered under warranty, Motorola will fix and return

serviceable assets to Albany. If assets are NOT covered under the warranty, Motorola will notify SMC and provide serial numbers.

The non-warranted items will then be covered under a repair contract with Raytheon vice returning to Albany for repair.

(4) We have received 180 of the 255 requested receiver transmitters from MarCorSysCom and have utilized them to fill backorders.

We are scheduled to receive 75 additional receiver transmitters from MarCorSysCom.

(5) Units will no longer submit requisitions for front and rear panels but will requisition the entire receiver transmitter whenever they

have a shortage.

Follow up from last month . . .

Email from Col Emerson 30 Apr 2008 regarding follow up items from April Monthly Update:

Continued:

3. Mr. Madden has been briefed on his SECREP concerns by Mike Williamson.

4. We are currently managing dues by exception. We are working with the ERDT on what items are coming down the pipeline so we can better manage our due ins.

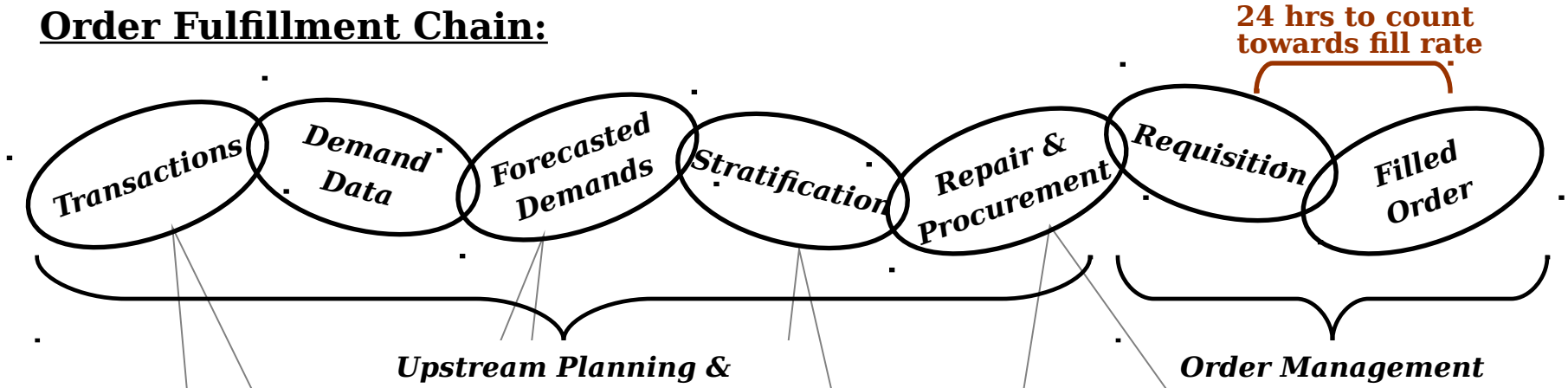
5. On the issue of the remaining 40% of assets required for the 202K Build we continue to work an analysis to determine supportability.

Respectfully Submitted,
Col Flora Emerson

Sec Item Fill Rate
. . . *Improvement actions*

Back

Order Fulfillment Chain:



1) Provide Training to IMs and Supply Officers on transaction codes

1) Scrub mainframe program and update logic
2) Validate and clean up source data
3) Investigate alternative statistical forecasting methodologies
4) Investigate RBS methods/tools
5) Improve transition from Provisioning/Warranty to Sustainment

1) Capture and use "actual" data (ALT, PLT, RCT, Washout Rates)
2) Focused analysis on high volume/$$ NSNs
3) Source data clean up
4) Training for IMs and Planners
5) Collaboration with Retail level (RIPs)
6) Investigate and correct Repair Plan reports

1) Use Strat output to drive MWS
2) Plan for annual or multi-year buys when practical & cost effective
3) Improve link with Contracts Dept. to Reduce ALTs
4) Improve integration and knowledge-sharing with SYSCOM (obsolescence, Item Ext Dates, Tech data, etc)

Sec Items Customer Orders

. . . Revised Fill Rate History